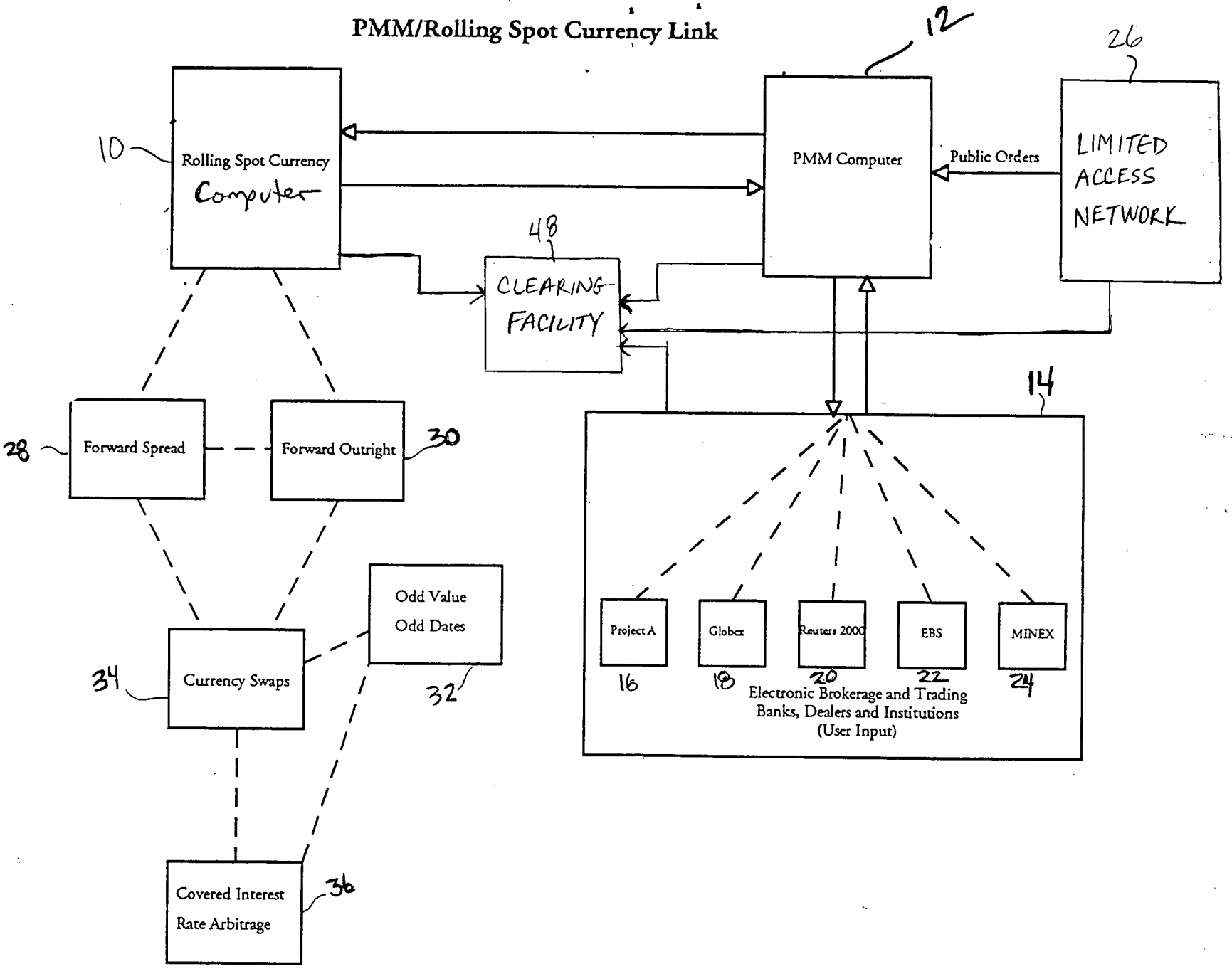
PMM/Rolling Spot Currency Link
12
26
10
Rolling Spot Currency
Computer
PMM Computer
Public Orders
LIMITED
ACCESS
NETWORK
48
CLEARING
FACILITY
14
28
Forward Spread
Forward Outright
30
Odd Value
Odd Dates
34
Currency Swaps
32
Covered Interest
Rate Arbitrage
36
Project A
Globex
Reuters 2000
EBS
MINEX
16
18
20
22
24
Electronic Brokerage and Trading
Banks, Dealers and Institutions
(User Input)

FIGURE 1

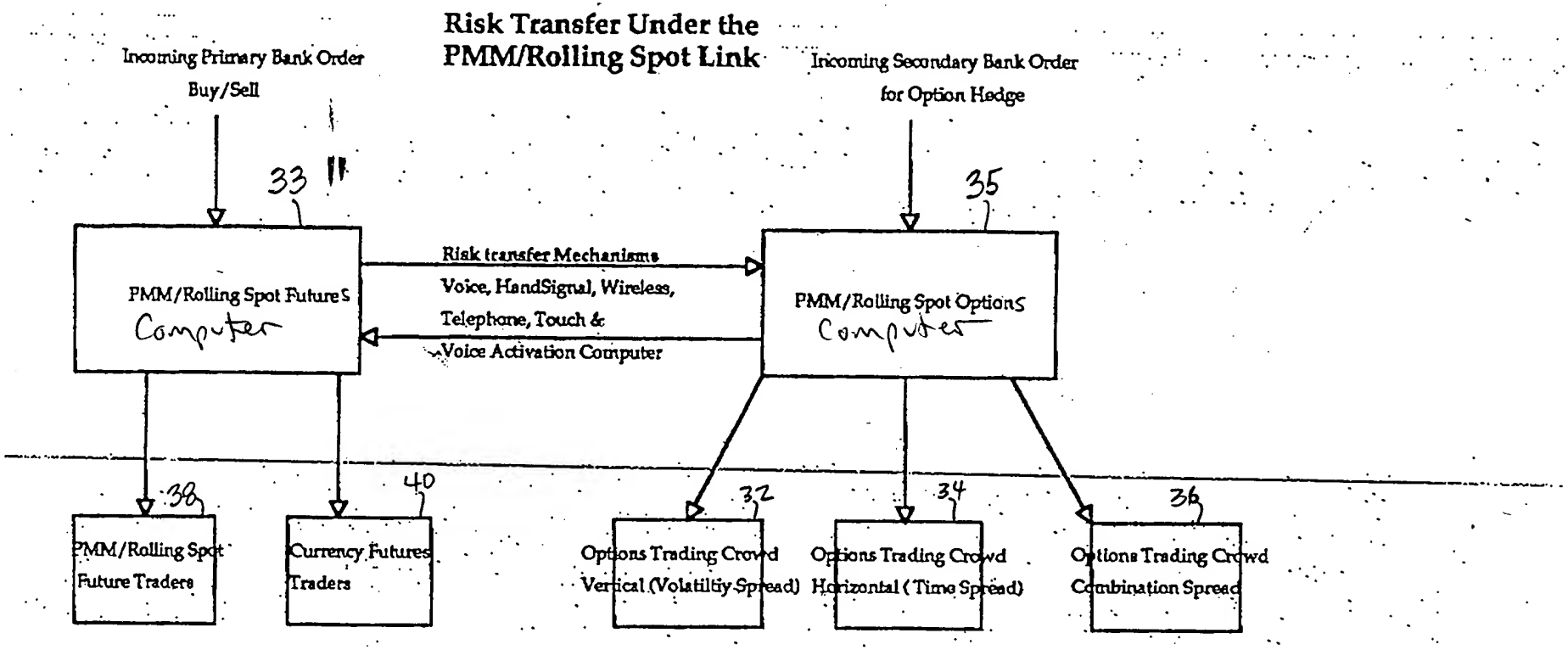
Risk Transfer Under the
PMM/Rolling Spot Link
Incoming Primary Bank Order
Buy/Sell
Incoming Secondary Bank Order
for Option Hedge
33
35
PMM/Rolling Spot Futures
Computer
Risk transfer Mechanisms
Voice, HandSignal, Wireless,
Telephone, Touch &
Voice Activation Computer
PMM/Rolling Spot Options
Computer
38
40
32
34
36
PMM/Rolling Spot
Future Traders
Currency Futures
Traders
Options Trading Crowd
Vertical (Volatility Spread)
Options Trading Crowd
Horizontal (Time Spread)
Options Trading Crowd
Combination Spread

FIGURE 2

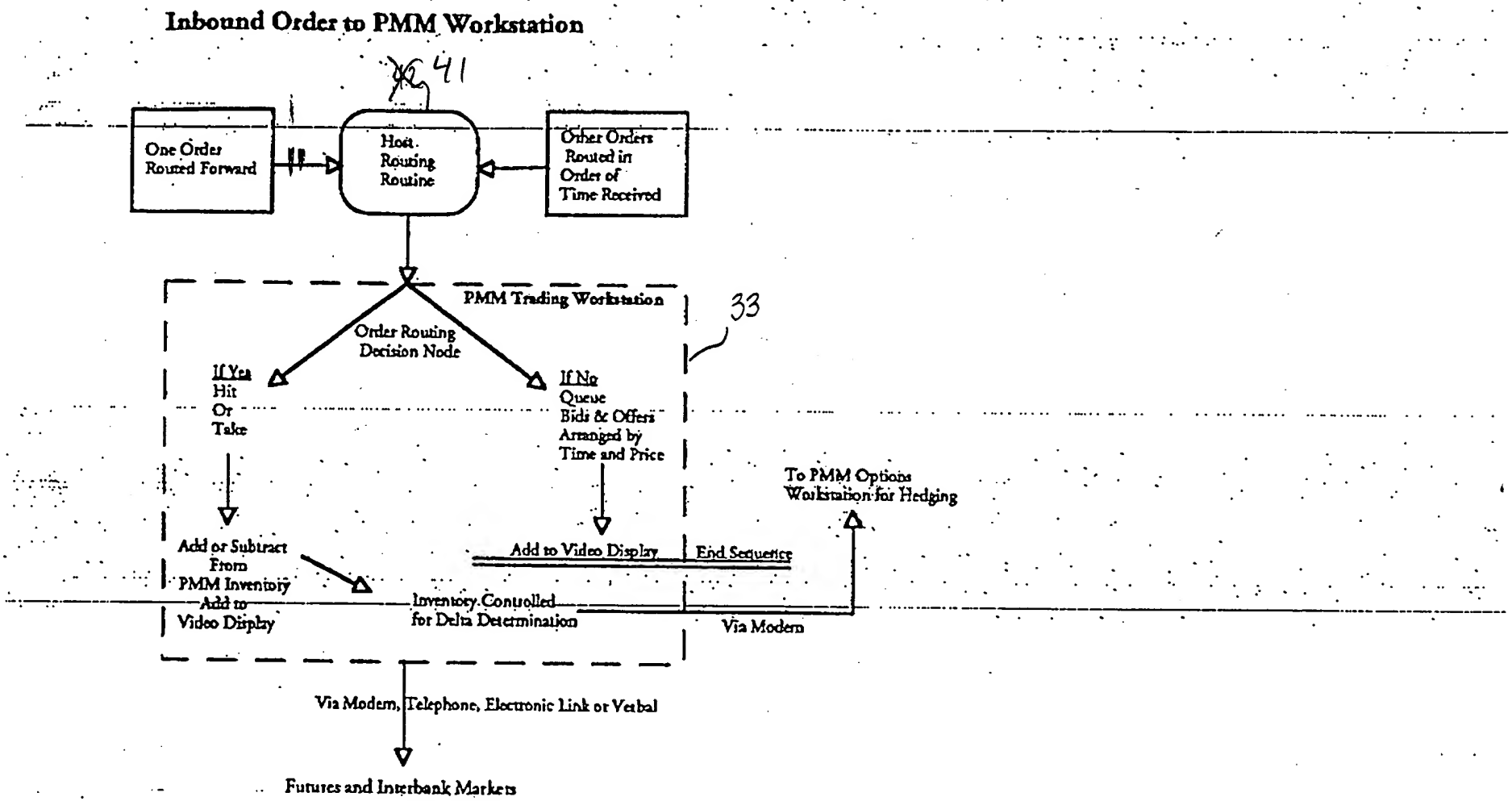
Inbound Order to PMM Workstation
41
One Order Routed Forward
Host Routing Routine
Other Orders Routed in Order of Time Received
PMM Trading Workstation
33
Order Routing Decision Node
If Yes Hit Or Take
If No Queue Bids & Offers Arranged by Time and Price
To PMM Options Workstation for Hedging
Add or Subtract From PMM Inventory
Add to Video Display
Add to Video Display
End Sequence
Inventory Controlled for Delta Determination
Via Modem
Via Modem, Telephone, Electronic Link or Verbal
Futures and Interbank Markets

FIGURE 4